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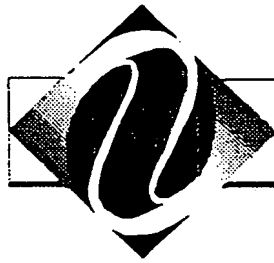
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**Physicians' Online**

[REDACTED]

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## Handout

**Christian Mayaud, MD**  
*Chief Executive Officer*

**Terrill Burnett**  
*Chief Marketing Officer*

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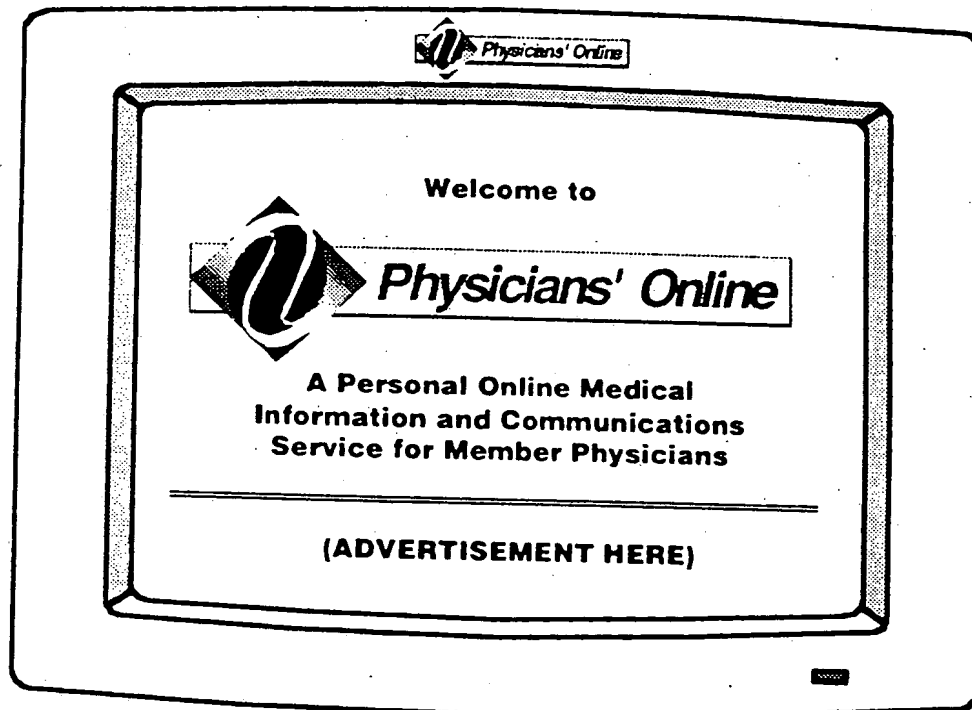
**PHYSICIANS' ONLINE, Inc.**

230 Park Avenue • #C-301 • New York • New York 10169  
212/724-2032 | Fax: 212/724-0849

THB 12195

**"The success of managed care will probably depend on the ability ... to influence physicians' choices in the direction of increased value."**

**-- John K. Iglehart. Managed Care. *N Engl J Med* 1992; 327: 742.**



## I - The Executive Summary

*Physicians' Online* is a personalized online medical information and communications service dedicated to empowering physicians with the tools essential to advance the quality and control the cost of health care through informed decision-making.

*Physicians' Online* ("Company") is an innovative new electronic medium designed to evolve into a comprehensive national medical information and communications network servicing the entire health care industry. The Company's online information products and communication services provide physicians with powerful tools to manage Medical Knowledge, Prescriptions, and Patients. *Physicians' Online* provides a distribution outlet for third-party produced information products and services. *Physicians' Online* also provides valuable proprietary information services to other industry participants including managed care organizations and the pharmaceutical industry.

### **Phase I - Medical Knowledge Management**

Online medical information and communication services which are readily accessible and free of charge to member physicians through optional online advertising support. The Company has assembled the most powerful, yet user-friendly, collection of medical information tools available from leading third-party sources. The core information products target three key areas of identified information need, including medical literature (MEDLINE), medical diagnosis (QMR), and drug information (USP). *Physicians' Online* is being developed in cooperation with major medical societies, pharmaceutical manufacturers & marketing organizations, hospitals, managed care organizations, and leading technology & third-party content providers.

*Implementation: 1993 through 1994*

### **Phase II - Prescription Management**

Online prescription fulfillment and cost containment programs made possible through the use of "Smart Electronic Prescription Pads" (PDAs). This network is being developed in cooperation with managed care organizations, hospitals, pharmacists, pharmaceutical distributors, leading technology providers, and other health-care participants.

*Implementation: 1994 through 1996*

### **Phase III - Patient Management**

Online patient information for efficient retrieval and transaction processing resulting in enhanced clinical and administrative efficiency and cost-containment. This network is being developed in cooperation with corporate employee benefits programs, private health insurance carriers, out-patient laboratories, electronic claims processors, installment credit organizations, hospitals, and other health care participants.

*Implementation: 1995 through 1997*

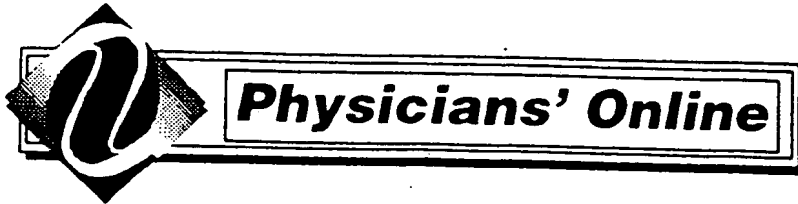
The Company's competitive advantage is based on its ability to attract physician use. Founded by practicing physicians with extensive experience delivering practical information products to busy clinicians, the Company has developed a market-driven product strategy designed to win maximum professional acceptance and use. The Company is establishing critical strategic alliances with leading participants in every major health care market segment. The Company is currently working with several leading content and service providers to develop new products and services for this expanding multi-billion dollar market opportunity.

## Physicians' Online: 5 Year Plan

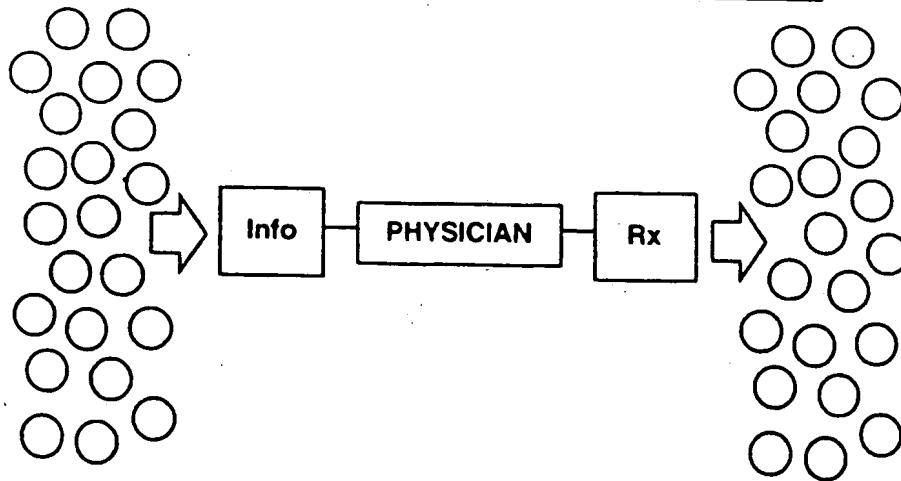
*To empower physicians with the tools essential to advance the quality and control the cost of health care through informed decision-making.*

Time Frame	Phase I 0 - 2 yr	Phase II 1 - 4 yr	Phase III 3 - 5 yr
Essential Tools	Medical Knowledge Management	Prescription Management	Patient Management
Vehicle	Physicians' Online	Pharmacists' Online Pharm Reps' Online Formularies Online Managed Care Online	National Health Card Network
Potential Membership	500,000 physicians 10,000 pharmaceutical execs	300,000 physician offices 100,000 pharmacies 50,000 drug reps	250 million patients 10,000 hospitals other health care participants
Core Markets	MEDLINE Rx Micromarketing	Prescription Fulfillment Rx Cost-Containment	Patient Administration Cost-Containment Programs
Market Size	\$50 million / \$7 billion	>\$70 billion	>\$500 billion
Market Size/MD	\$1000 / \$15,000	>\$150,000	>\$1,000,000
Secondary Markets	<ul style="list-style-type: none"> <li>Clinical Databases</li> <li>Decision-Support Tools</li> <li>News &amp; Financial Services</li> <li>Special Interest Forums</li> <li>other areas of identified need</li> </ul>	<ul style="list-style-type: none"> <li>Home Care</li> <li>Managed Care</li> <li>Formularies</li> <li>Pharmacy Network</li> <li>"Electronic Detailing" &amp; Rep Support</li> </ul>	<ul style="list-style-type: none"> <li>Electronic Patient Record</li> <li>Outpatient Laboratory Transactions</li> <li>Patient Health Maintenance</li> </ul>
Main Revenue Sources	<ul style="list-style-type: none"> <li>Pharmaceutical Advertising</li> <li>Pharmaceutical Micromarketing Information</li> <li>Membership &amp; Usage Fees</li> </ul>	<ul style="list-style-type: none"> <li>Prescription Processing</li> <li>Micromarketing Information</li> <li>Membership &amp; Usage Fees</li> </ul>	<ul style="list-style-type: none"> <li>Patient Transaction Processing</li> <li>Communication Services</li> <li>Micromarketing Information</li> <li>Membership &amp; Usage Fees</li> </ul>
Competitive Advantage	<ul style="list-style-type: none"> <li>"Medical Info Vending Machines"</li> <li>Sophisticated MD Targeting ("Ad Wizard"/ "Smart Ads")</li> <li>Installed Terminals, PDAs, &amp; PCs</li> <li>Computer-Sophisticated Members</li> <li>Medical Society Support</li> <li>Pharmaceutical Industry Support</li> <li>Third-Party Office Systems Support</li> <li>Pharmaceutical Executives' Online</li> <li>User-Friendly Interface</li> <li>Proprietary Text-Retrieval Software</li> <li>Proprietary Psychometric Mktg Data</li> </ul>	<ul style="list-style-type: none"> <li>"Smart Electronic Prescription Peds" (PDAs)</li> <li>Installed Terminals, PDAs, &amp; PCs</li> <li>Automated Prescriber Assistance Programs</li> <li>Proprietary managed care applications</li> <li>National Electronic Formularies</li> <li>Proprietary Prescriber Profiling</li> <li>Patient Prescription Profiles</li> <li>Proprietary Psychometric Marketing Data</li> </ul>	<ul style="list-style-type: none"> <li>"National Health Card"</li> <li>Installed-base of diverse POS/PON entry-points linking integral industry participants</li> <li>Electronic Patient Transactions Network</li> <li>Third-Party Office Systems Support</li> <li>Hospital Systems Support</li> <li>Cellular Communications link to Physicians</li> </ul>
Strategic Alliances	<ul style="list-style-type: none"> <li>Medical &amp; Professional Societies</li> <li>Pharmaceutical Companies</li> <li>Pharmaceutical Marketing Cos</li> <li>Prescription Data Marketing Companies (IMS/ MMG/ PMS)</li> <li>Third-party Content Providers (NLM/ Camdat/ USP)</li> <li>Medical Office System Companies</li> <li>Technology Providers (CompuServe/ Sybase/ Conquest/ Coconut/ Apple/ Sun/ HP/ Cube)</li> </ul>	<ul style="list-style-type: none"> <li>Prescription Fulfillment Companies (Medco)</li> <li>Pharmacies/Pharmacist Societies</li> <li>Managed Care Organizations</li> <li>HMOs/ PPOs/ IPAs</li> <li>Hospital Chains</li> <li>Hospital Formularies</li> <li>Corp Employee Benefits Programs</li> <li>Medical Office System Companies</li> <li>Technology Providers (AT&amp;T/ Apple/ EO/ Motorola/ HP)</li> </ul>	<ul style="list-style-type: none"> <li>Corp Employee Benefits Programs</li> <li>Private Health Insurance Carriers</li> <li>BC/BS/Medicaid/ Medicare</li> <li>Out-Patient Labs (MetPath/ BioScience/ SKF/ NHL)</li> <li>Outpatient Testing Companies</li> <li>Installment Credit Organizations</li> <li>Electronic Claims Processing &amp; Clearing Houses (NEIC/ EDS)</li> <li>Medical Office &amp; Hospital Systems Companies</li> </ul>
Critical Technologies	<ul style="list-style-type: none"> <li>Systems integration of existing hardware &amp; software technology</li> <li>Packet Data Network technology</li> <li>Simple Text Retrieval Software</li> <li>Third-party Content Development</li> </ul>	<ul style="list-style-type: none"> <li>"Personal Digital Assistants" (PDAs)</li> <li>Data network technology</li> <li>Proprietary PDA applications development</li> <li>Personal Info Management (PIM)</li> </ul>	<ul style="list-style-type: none"> <li>Systems integration</li> <li>Proprietary patient administration &amp; cost-containment applications development</li> <li>Cellular data network technology</li> </ul>
Infrastructure Milestones	<ul style="list-style-type: none"> <li>150,000 physician members</li> <li>5,000 hospital members</li> <li>5,000 hospital-based terminals</li> <li>5,000 PDAs in Physician Offices</li> <li>150,000 additional POL software installations</li> </ul>	<ul style="list-style-type: none"> <li>300,000 physician members</li> <li>10,000 hospital members</li> <li>20,000 hospital-based terminals</li> <li>100,000 PDAs in Physician Offices</li> <li>10,000 mobile PDAs</li> <li>500,000 additional POL software installations</li> </ul>	<ul style="list-style-type: none"> <li>500,000 physician members</li> <li>10,000 hospital members</li> <li>50,000 hospital-based terminals</li> <li>300,000 PDAs in Physician Offices</li> <li>400,000 mobile PDAs</li> <li>800,000 additional POL software installations</li> </ul>
Infrastructure \$	\$10,000,000	\$50,000,000	\$250,000,000
Infrastructure/ MD	\$100	\$200	\$500

28-Jan-93



A personalized online medical information & communications service dedicated to empowering physicians with the tools essential to advance the quality and control the cost of health care through informed decision-making.



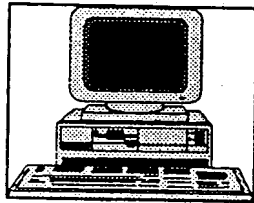
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## PCs in Health Care

### Barriers to Physician Use



Desk-bound  
Document Processing

- Price
- Access
- Ease of Use
- Awareness
- Time

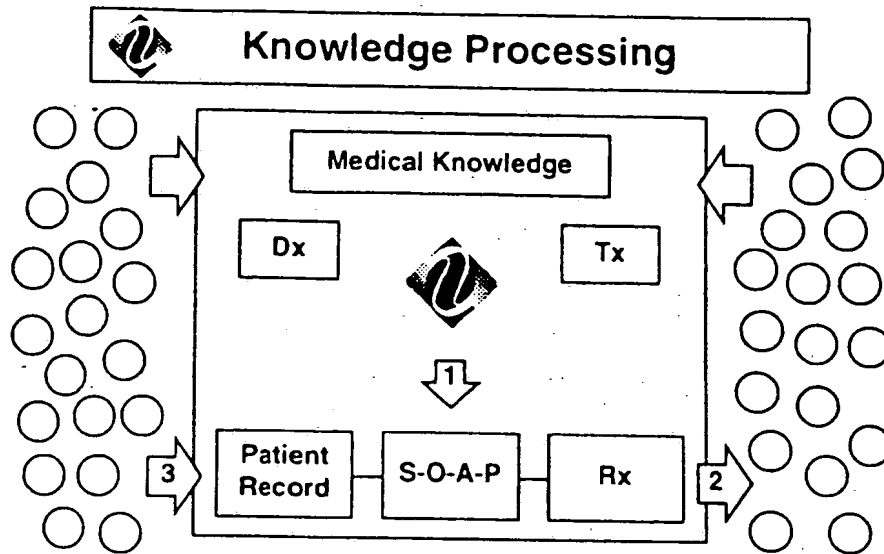
### The Real Cost of Knowledge

- Time
  - Convenient Access
  - Ease of Use
- Money
  - Price

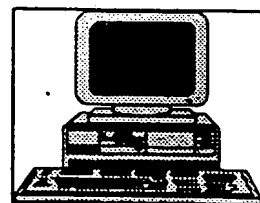
*Minimize the Cost of Knowledge*



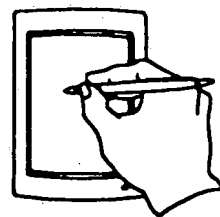
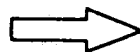
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## Physician "Desktop"



**Desk-bound  
Document Processing**



**Mobile  
Knowledge Processing**

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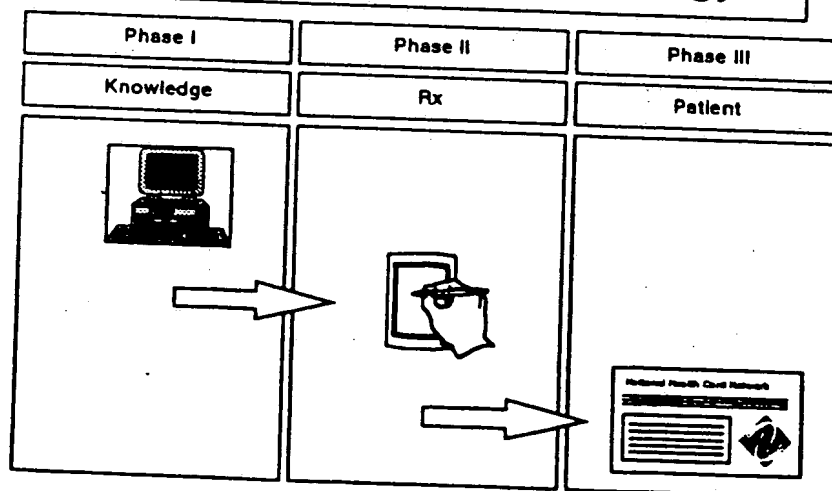
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## Physician "Desktop"

### Points of Entry

Home	Office	Hospital
<ul style="list-style-type: none"> <li>• PC</li> <li>• Smart Phone</li> <li>• PDA</li> </ul>	<ul style="list-style-type: none"> <li>• PDA</li> <li>• Smart Phone</li> <li>• PC</li> <li>• Office Network</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated Terminal</li> <li>• PC</li> <li>• Hospital Network</li> <li>• PDA</li> <li>• Smart Phone</li> </ul>

## Physician Market Strategy

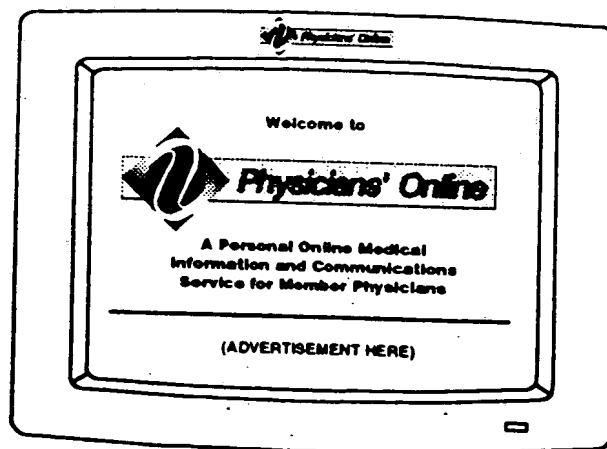


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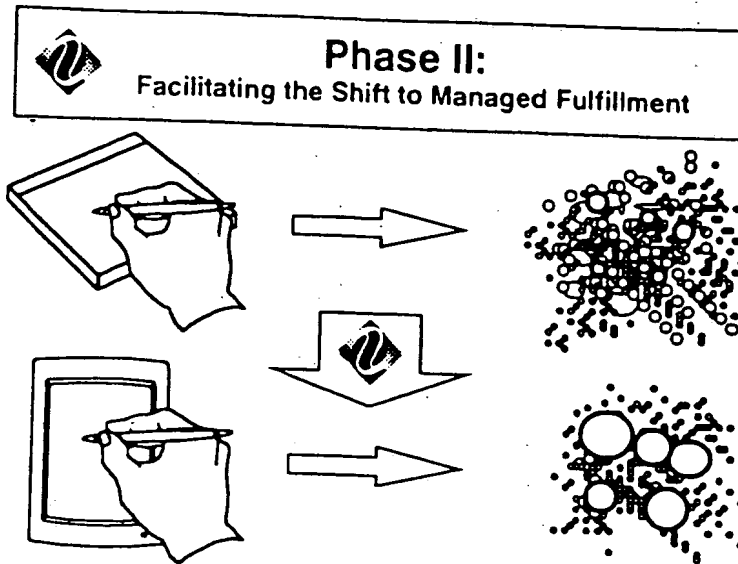
## Strategic Alliances

- **Phase by Phase**  
Sector by Sector Cooperative Participation
- **Cooperative vs Competitive**  
Market Growth vs Market Share
- **Physician "Desktop" Control**  
First Mover Advantage  
Physician Use: "All or Nothing"



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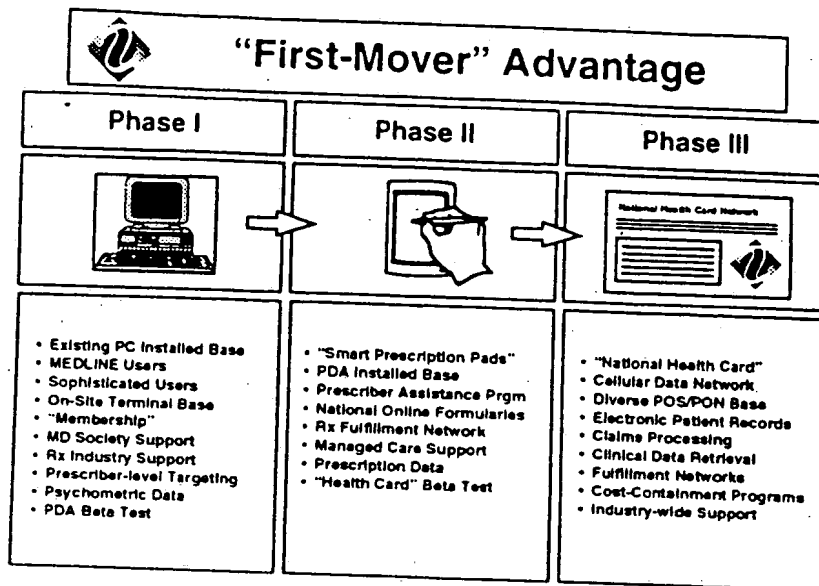


## Keys to Success

- **Physician Membership & Use**
  - "Physician-centric" Market Strategy
  - *Minimize the Cost of Knowledge*
- **Market-driven not Technology-driven**
  - Systems Integrator of Existing & Leading Technology
- **Integral Industry Participation**
- **"First-Mover" Advantage**

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28-Jan-93



## **Physicians' Online**

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